



## MAINE STATE BOARD OF EDUCATION

Department of Education  
AUGUSTA, MAINE 04333

STATE OF MAINE

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The State Board of Education held a regular monthly meeting on March 12, 2003, at the Burton M. Cross State Office Building, Augusta with the following members present: Chair Jean Gulliver, Vice Chair Philip Dionne, Joyce McPhetres, Wes Bonney, Ken Allen, Jack Norris, Ellie Multer, Jim Rier, and Janet Tockman.

Also present were: Commissioner Elect Susan Gendron; Judy Malcolm, Team Leader, Support Systems Subteam; Scott Brown, AIA, School Construction; Jay Readinger; and Rhonda Casey, Clerk.

### **CALLED TO ORDER:**

The meeting was called to order at 1:00 p.m.

### **APPROVAL OF MINUTES:**

MOVED by Phil Dionne and unanimously voted to approve the February 12, 2003, minutes as distributed and revised.

### **MAKING THE GRADE AWARD:**

The Making the Grade Award was presented to the SAD 46, Dexter Primary School and the Garland Elementary School for their "Community of Readers" program, which provides an early link between the school system and the homes within the community. Present to accept the award on the schools' behalf were Principal Ann Jordan and Sharon Imbert.

### **REGULAR BUSINESS:**

#### **REQUEST FOR AMENDMENT OF THE APPROVED FINAL FUNDING BUDGET FOR THE VINALHAVEN COMMUNITY SCHOOL MAJOR CAPITAL IMPROVEMENT CONSTRUCTION PROJECT**

**Statement of Fact:** The Vinalhaven Community School construction project cannot be completed within its current budget. The major factors leading to the shortfall include an underestimate of 100% of the fill required for the project; an underestimate of the cost of asbestos removal in the old Vinalhaven school; glass contamination of the loam that was mixed on site; ledge blasting and removal that unavoidably extended beyond the blast lines; additional

ledge that was discovered during construction; and additional costs associated with the clerk, the owner's representative, and legal expenses because of the time overrun.

Legal action is anticipated as soon as all of the issues are fully known. The architect's insurance carrier has been notified of the possibility of these claims. While it is anticipated that some of the overrun costs will be recovered, any such funds would not be recovered in time to pay for the costs associated with completing the school.

There is a budget estimate prepared by the owner of \$678,200 to finish the project. "Partners in Island Education" has offered a \$90,000 gift with the condition that it be repaid first if the legal action is successful. \$115,718 could be taken from the contingency toward completing the project. This leaves a shortfall of \$472,482 to complete the project.

In response to higher than anticipated bids an adjusted project budget was approved by the State Board of Education at its August 15, 2001, meeting. The adjusted budget did not increase the construction contingency to the usual 5% level. One element of this proposal is to restore the construction contingency in the State/Local budget column to the usual 5% level. This restoration provides an additional \$100,000 to reduce the shortfall to \$372,482.

The State/Local breakdown of dollars in the approved Design & Funding Budget is 81.4%, and the local-only is 18.6%. When these percentages are applied to the remaining balance of \$372,482, the State's share is \$303,200 and the local share is \$69,282. Any funds recovered through legal action would be used to offset these increased project costs as depicted on page 3.

This funding solution allows SAD #8 to purchase both the technology items and the moveable equipment for the new school as presented in previously approved budgets.

#### Design & Funding Approval Amounts - March 14, 2001

Project Total: \$12,501,827

Amount Included in Subsidized Debt Service: \$ 10,180,047

Additional Local-only Project Funds: \$2,321,780

#### Amended Funding Approval Amounts – August 15, 2001

Project Total: \$13,615,894; *Additional \$1,114,067.*

Amount Included in Subsidized Debt Service: \$11,179,616; *Additional \$999,569*

Local-only Project Funds: \$2,436,278; *Additional \$114,498*

#### Amended Funding Approval Amounts – March 12, 2003

Project Total: \$14,178,376; *Additional \$562,482*

Amount Included in Subsidized Debt Service: \$11,582,816; *Additional \$403,200*

Local-only Project and "Partners in Island Education" Funds: \$2,526,278; *Additional \$159,282 (\$69,282 Local-only funds and \$90,000 conditional gift from PIE)*

Recommendation: It is recommended that the State Board of Education approve an increase of \$562,482 over the state/local amount approved in the amended Funding Approval of August 15, 2001. The new state/local amount for the Vinalhaven Community School would be \$11,582,816, and the new project total would be \$14,178,376, which includes the conditional gift of \$90,000 from Partners in Island Education and a local-only additional amount of \$69,282. The additional funds are contingent upon a successful referendum vote at the local level.

It is further stipulated that any funds recovered through legal action against the architect and/or contractor beyond the \$90,000 owed to PIE will be used to repay SAD#8 and the State on an equal basis of 50% / 50%, with a maximum repayment to SAD #8 of \$69,282. Bonding dates and the bonded amount will be determined by the State.

**VINALHAVEN COMMUNITY SCHOOL**  
**CONSTRUCTION PROJECT**

**BUDGET OVERRUN IMPACTS**

	<b><u>Projected</u></b> <b>2/26/03</b>
Imported Loam.....	\$150,000
Additional Stone Fill.....	\$120,000
Additional Ledge Removal.....	\$ 79,900
Additional A/E Fees.....	\$ 40,000
Flooring Allowance Overrun.....	\$ 7,500
Asbestos Abatement.....	\$100,000
Owners Rep. Service Overrun.....	\$ 35,000
Clerk's Service Overrun.....	\$ 85,800
Legal Expenses Due to Delays.....	\$ 60,000
	<b><i>Total</i> \$678,200</b>
Remaining Contingency.....	\$115,718
<b>Unfunded Project Expenses .....</b>	<b>\$562,482</b>

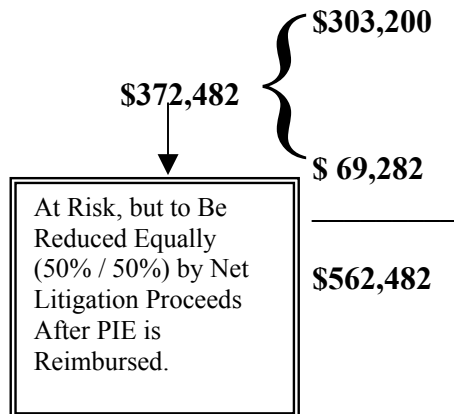
***RECOMMENDATION***

**\$100,000**

**Additional State Subsidized Bonds to  
Restore Contingency**  
Post Bid Project Budget Adjustments Did Not  
Increase Construction Contingency Accordingly

**\$ 90,000**

**Additional Conditional Gift from PIE to  
Complete Project – First Reimbursement From  
Litigation**



**Additional State Subsidized Bonds**  
to Complete Project  
(81.4% of Remaining \$372,482 Balance)

**Additional Local Bonds** to Complete Project  
(18.6% of Remaining \$372,482 Balance)

**Total New Revenue** to be achieved through  
Bond Anticipation Note (BAN) Until Litigation  
Substantially Complete (**Local Referendum to  
authorize up to \$562,482**)

MOVED by Phil Dionne, seconded by Ellie Multer, and unanimously voted to approve an increase of \$562,482 over the state/local amount approved in the amended Funding Approval of August 15, 2001. The new state/local amount for the Vinalhaven Community School would be \$11,582,816, and the new project total would be \$14,178,376, which includes the conditional gift of \$90,000 from Partners in Island Education and a local-only additional amount of \$69,282. The additional funds are contingent upon a successful referendum vote at the local level.

It is further stipulated that any funds recovered through legal action against the architect and/or contractor beyond the \$90,000 owed to PIE will be used to repay SAD#8 and the State on an equal basis of 50% / 50%, with a maximum repayment to SAD #8 of \$69,282. Bonding dates and the bonded amount will be determined by the State.

*Note: Kathryn Ainsworth of the Governor's Office attended the Board meeting at this time. The Board and Ms. Ainsworth held a brief discussion on current issues facing the Board and the Governor's Office.*

## **BOARD MEMBER REPORTS:**

### **Jan Tockman:**

- There has been discussion involving the NCLB rules for Title I aides and the issue of assessments, degree, and number of college credits. Is there any information on the alternative path where apparently the State can set up a testing assessment program?

Jean responded by stating that the former deputy commissioner was responsible for overseeing this aspect.

Judy Malcolm also responded by saying that both she and Jackie Soyachak have been assigned to look into the matter and work out the details. There are certain aspects of NCLB that remain unclear and Maine has to comply with all the NCLB, but we are trying to determine where Maine has to make the determination. Maine has three levels of education technicians and the NCLB rules have only one level. She and Jackie are reviewing how other states are making the determination between teacher quality and paraprofessionals.

Ellie Multer mentioned that she had read that in order for states to continue to receive ESEA funds that each local educational agency (LEA) must certify in writing that it has no policy that prevents or denies participation in constitutionally protected prayer in schools.

Jackie Soychak responded by saying that she is in the process of drafting an informational letter to be sent to all superintendents. Accompanying this information letter will be a simple form to be returned to the Department of Education, identifying the LEA, an area indicating either does or does not have a policy, and a place for the authorized individual to sign. The deadline for submission of this information is extremely tight.

Joyce McPhetres:

- The SAU Study Group will be meeting in March. Jim Rier, David Silvernail, and Ray Poulin will also be joining the group to provide information that they have gathered.

Jim Rier:

- That thirty Maine schools have been assured foundation funds to help redesign and reform education. The Bill and Melinda Gates Foundation has provided \$10 million to Maine to support school change initiated by the Mitchell Institute's Promising Futures Program in Portland. The program goal is to create environments for personalized learning for all Maine students, and to prepare all students for success in college, the workplace, and their communities.

Jack Norris:

- Volunteered to participate in the Healthy Learners Committee to study the issue of obesity and vending machines in schools.

Phil Dionne:

- Represented the Board by participating in the Hall of Flags Ceremony recognizing the Teacher of the Year finalists.
- Attended the meeting in Dexter involving SAD 46 and other area schools.

### **ADJOURNMENT:**

State Board of Education unanimously agreed to adjourn the Wednesday, March 12, 2003, meeting at 3:00 p.m.